

Maurice Fuller

Today I'm with Aaron Elder, CEO and Co-Founder of Crelate. Crelate is one of the fastest growing ATS solution providers in the market today. Aaron, welcome to the podcast.

Aaron Elder

Thanks for having me, Maurice. Nice to see you again.

MF

Yes, great to see you. Tell us about Crelate. Who are you, and what do you do?

AE

Well, like you said, my name is Aaron Elder. I'm CEO and Co-Founder of Crelate, and I like to build platforms.

MF

Fantastic. So tell us a bit about your background and how you got here.

AE

Well, my background at a sort of high level is that I'm a visual arts major who dropped out of college and taught myself how to code during the rise of the web. I co-founded a startup that got sold to Microsoft, where I became the lead application architect for Microsoft Dynamics CRM, which was my first real platform. I've been doing consulting work for a long time building the same forms and grids and business process automation for companies for many years. When I got to Microsoft, I said let's just go ahead and build a platform that we can go build a CRM system on top of, a sales module, a service module, a marketing module. And that's what we did.

After that, I left Microsoft and co-founded a consulting company which implemented Microsoft CRM. So I got out of my ivory tower at Microsoft where I sort of knew the way the world was going to use this platform and then got into the real world and had to go implement this platform, and I realized that some of the things we thought were going to be true or easy just weren't. Fast forward a little bit, I sold that business to a joint venture between Accenture and Microsoft called Avanade and then left to start a new platform company, a talent platform company called Crelate. I'm trying to take what I've learned from my last experience and turn it towards good in helping businesses place and find great talent.

MF

Yeah, so I want to drill into that a little bit. With that background working with serious M systems, you could have gone in a lot of different directions. So what inspired you to pursue staffing and recruiting?

AE

I think two things.. One, building a consulting company, or any staffing business, is hard. You have the same basic problem that you do over and over again. You've got to go out. You have to find opportunity and things for people to do and you go find people to do it and you've got to do that basically forever. That is the business by itself. In our journey of growing our business and emerging with something and spinning out and then selling it off, along the way no business had really cracked this code. It was just more people with more spreadsheets and multiple systems all trying to run around and make these two stars align. What these businesses are doing is such a great thing. They're finding people and giving them their first chance, their next chance, or a bite at the next great opportunity. I mean it's really this lasting prosperity that these companies are providing people. But it's so freaking hard. So I wanted to go build a platform that would solve that problem, and ten years ago I had this idea: let's just go create a recruiting CRM, right? So it would be a CRM system plus an ATS all in one, but let's build it really flexible so that it can work for any talent business.

MF

Alright, fantastic. You've written a lot for sources like Staffing Stream and Talent Culture on the concept of transferable velocity. Can you tell us what that's about and how that fits into the idea of a prosperity engine?

AE

Yes, this idea of a prosperity engine... This was the thing that I loved most about building my previous consulting company. It was the fact that we were able to take people from all walks of life, all backgrounds, all levels of experience, and train them on a new skill and give them the tools to be quite successful in life. The journey there when we started as a dynamic CRM consultancy was there were no dynamic CRM experts in the world because it was a brand new platform. It was a new product from Microsoft and no one really knew it, so we of course had a talent problem. And we went out and we started saying let's get creative. What are some ancillary industries?

Okay, well maybe we can go train an old SAP developer or an old Pivotal or Onix developer on how to be a CRM developer. They're kind of similar to CRM systems and that works, but eventually you sort of run out of that pool. And then we started saying well, we're going to need to go grow our own. We built this internal boot camp. It was a multi-week boot camp. It was so successful that customers actually paid us to run their devs through it, but we took people from all walks of life, taught them a new skill, and set them on their way in consulting. That really was exciting for me, that idea that we could take a person who was sort of on a trajectory of success already and realize that their peanut butter and our chocolate would mix together to make a delicious peanut butter cup on the other side, if that makes sense. So I kind of coined this term transferable velocity, and it's something we practice here at Crelate.

MF

Yeah, and that makes complete sense. I love what you've done there. Another thing I love is the way you've built your application that makes it easy for users to use. You have great usability and I'm curious to learn how you've been able to do that. How have you created a product that's so well received by recruiters and is getting great ratings?

AE

Well thanks for that question. So UX is very different than UI, right? So the user experience is different than just the sort of pretty picture that the person's looking at, and there's all kinds of theory that goes into this. I myself have a design background. We have people on staff that do as well. The competing interests though that we have are recruiters are busy, and they're sitting in front of their screen all day long making calls. They need to have access to a lot of information all at once. But then you also want to keep the UI simple, right? And so you have these two diametrically opposed ideas sort of in one, and that is something that we wrestle with all the time.

I think—as you said with the reviews—I think in some ways we get it really really right. And I think the secret is thinking about it as a platform, thinking about the fundamental steps, the work streams that the recruiter is trying to do, and saying how can we not get in their way? If we don't need to require a field at this step, let's not require it. If we don't need to ask them a question, let's not ask it. If they need some information to be able to answer a question that we are asking, let's present it. **Let's think through the work stream and try to align the UX to meet the person where they're at in their day versus the other way around.**

MF

Right, that makes sense. You mentioned Crelate as a platform as something that staffing firms can build their business on and that can pull in all the integrations needed for a modern agency tech stack. How are you thinking about that now and in the future?

AE

Building platforms is something that I just love to do in general. With all my years of consulting, you know, I'd walk into a company and say what challenge are you facing? And then the next question usually is well, what are you trying to achieve? Maybe your listeners have seen the famous comic books where it shows what the customers said they wanted, what the product manager heard, what the dev built, and what they actually needed. I think platform development sort of takes that whole thing to heart. **When you look at the space that our software plays in, we're a talent platform for talent businesses.** That's businesses whose primary business is talent. The market is hyper fragmented because you have a variety of needs that you're trying to fulfill.

Just try a little mental model with me for a second here. So imagine I'm on the X- axis that's going left to right. On one end you have corporate hiring and recruiting, right? They're hiring for themselves. On the other end of the spectrum you have agency, a talent business usually hiring for someone else. On the Y-axis that will be up and down,

you have the size of a company. The larger firms have different needs and maybe more complex needs but small firms have plenty of complex needs, too. And then on the Z-axis—that's the one sort of going out into space—you have different industries, right? The recruiting requirements of oil and gas might be a little bit different than healthcare, might be different than contract, temp, etc. And so as a talent platform, we've got to say, hey, we're trying to solve across all three axes.

Staffing businesses are all very similar in many ways but they're all very different in many ways. And so when we want to build a feature, we need to say, hey, what cohort of customers are we trying to address with this feature, and what are the bunch of different business processes that are going to come at this across those three axes, and how can we make it generic in a way that can work for all of them—or be configured or customized to work for all of them? I don't know if that makes sense.

MF

Yeah, no, it makes complete sense and it's actually really fascinating when you think about the staffing talent industry and recruiting three dimensionally like you just pointed out. I also want to talk about your platform from another standpoint as well, and that is your APIs. That's such a key part of your platform, and everyone talks about their APIs and their open APIs. When you look closely you find out that not all APIs are created equal, so I wanted to find out how you think about the development of your APIs to support integrations.

AE

Yeah, you can't be a platform without an API I guess is my opinion. You know, and I think one of my—I can't remember if it was one of my investors who said "you're doing something great but you're certainly doing it the hard way," if you will. And what they meant by that was there are, as you mentioned, other ATSs out there that are more sort of point solution and sort of solve point problem. In our case, we have to be constantly thinking about this concept of whether we're building on-platform or in-platform and who else is going to build on-platform. We can't be everything to everybody. That's just a fact. So we've got to be really good about building great features on our platform, but building our platform in a way that lets others also build great features on our platform. And so we're actually working on our third iteration of our open API, and this is a very intentional motion. We want people to build on our system, which I think is very different from other products which are just so busy building their own feature sets. And so with an open API, you need to have a team that understands that people are going to be building on it. It has to be very intentional and they have to think of all the consequences of people building on it and how to support that, and so we're constantly prioritizing that over other things in order to enable those scenarios.

MF

That makes sense. So one of the hottest and most important trends in staffing today is automation, and you mentioned on-platform versus in-platform. So tell us how you are

thinking about automation and how you plan to bring more automation to your customers.

AE

Yeah, in the same way I was talking earlier about UX design, I think of automation in a few ways. One, I don't see a world in which Alexa magically does the recruiting and you go get hired somewhere because Alexa said you should, right? I see recruiters at the heart of the recruiting process. It's a people business at the end of the day. So my thought is how do we use automation to enable and empower recruiters and candidates to move with less friction through the process? I think there's several things to think about. One, you have point automation like sequencing, right? Like how can I automate a lot of manual tasks to prioritize my day and make all the steps of my day easier. To answer that question: while we're building a sequencing engine. And that'll be built in-platform on top of our process engine. But we also know that there's other amazing sequencing engines out there as well that might offer features that we can't provide, so we're going to think about building our API in a way that would let a third party also build a sequencing engine. We already have an integration partner that does that. So that's one cohort of automation.

The other cohort of automation is where in the work stream can we save a step along the way and do little automation, little triggers here and little triggers there, that make things just easier. From a UX perspective, though, I'm always cognizant of my experience as a consultant where customers would ask for these elaborate workflows because someone in some office had decided, "this is the process." But then when you actually get on the ground with the users, you realize that the exceptions almost become the rule. And so now the person has to fight against the system because of what people had designed for it. So **when I think of automation, I want to keep the user at the center of it and I want to keep the user in control of every aspect of it.** So hey, this automated thing's going to happen, but you can pull the hand break if you need to—if that makes any sense.

MF

Yeah, that makes complete sense, and I love how you're thinking about this opportunity to help recruiters be more productive. Your company is up to 1700 customers at this point. How do you plan to continue that growth in the years ahead?

AE

Well, yeah, it's been a wonderful ten year journey to this point. We just secured a new round of funding from our existing investors, and that money is going to be put to work—well, it's already being put to work. The short answer is we're scaling up across the board. I like to think of the company itself as a prosperity engine, right? It's this self-fulfilling machine that can throw off prosperity in all directions. If we build a great product, we can help our customers. Our customers are in the business of helping people find good jobs and find opportunities; those people then go on to be prosperous.

And if we do all that right, our customers will reward us by buying our software, in which case I can hire great people and promote from within and train from within. And that creates prosperity. So with this money we're going to be ramping up. We brought a new head of revenue for sales marketing and account management. We're expanding our support team. We're redoubling our product team. We're sort of investing across the whole gambit to keep doing what we're doing because I think it's working. We're listening to customers and we're always getting better.

MF

Excellent. So final question: are there any customer success stories that really get you excited about what you're building in Crelate?

AE

Oh man, there's so many. I have great respect and empathy for our customers. I've been in that business before. It's incredibly rewarding, it's fun, it's fast-paced, it's stressful, and it's nonstop. If I think across my customer base, there's so many great stories. I love some of the niches where you just didn't even know there was a specialized recruiter for that niche, but that person just knows everybody. That's always fun.

I think the one that maybe ties most to us or to my sort of holistic mission would be Dee Williams. She's a customer who is in the business of really helping people get second chances by teaching them how to start their own recruiting business. So Dee is just awesome and she'll take people on hard times with all kinds of challenging backgrounds and say hey, listen, let me teach you a new skill here. Let me get you set up on Crelate. Let me teach you how to use it. Let me show you the motions. And you go through that process and a lot of them on the other side are quite successful. It's just a great success story.

MF

Alright, fantastic. Alright, thank you so much and kudos on all your success and everything that you are doing to take the staffing and recruiting industry to the next level.

AE

Thanks, Maurice. Great talking with you.